# Thrifty Rent-A-Car System Inc v Thrifty Rent-A-Car Sdn Bhd & Anor

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO R1-25-60 OF 1998
FAIZA TAMBY CHIK J
1 APRIL 2003

*Trade Marks — Application for registration — Opposition — Appellant's trade mark registered in United States since 1964 — Use of appellant's trade mark in Malaysia by franchisee — Whether respondent entitled to claim that it was proprietor of trade mark — Whether registration of trade contrary to s 14(a) of Trade Marks Act 1976 — Whether registration of trade mark contrary to s 14(a) read together with s 82(2) of Trade Marks Act 1976*

*Trade Marks — Passing off — Similarity in trade names — Whether appellant acquired goodwill and reputation in trade mark — Whether appellant entitled to rely on reputation and goodwill acquired by trade mark in United States and countries in this region*

The appellant was a company registered in the State of Oklahoma, United States, and had been engaged in the business of, inter alia, renting and leasing vehicles ('the said business') in the United States since 1958. The appellant was the registered proprietor of the 'THRIFTY RENT-A-CAR' and 'THRIFTY' trade marks ('the 'THRIFTY' mark) for automobile rental services in the United States since 1964 and 1966 respectively. The appellant appointed Sintat Rent-A-Car International Pte Ltd as its sole franchisee for the said business in Malaysia, Thailand and Singapore with effect from 1 January 1985.

The first respondent, a company incorporated in Malaysia, filed an application to register the 'THRIFTY RENT-A-CAR' mark in respect of, inter alia, paper and paper articles, cardboard articles, stationery and adhesive materials in Class 16 on 8 October 1985 ('the application under opposition'). A comparison of the mark applied for in the application under opposition and the 'THRIFTY' mark showed that both were almost identical.

The appellant filed a notice of opposition to the registration of the first respondent's trade mark on the grounds that: (a) the first respondent was not entitled to claim that it was the proprietor of the mark within s 25(1) of the Trade Marks Act 1976 ('the Act') as the appellant was the originator, first user and true proprietor of the 'THRIFTY' mark; (b) the registration of the mark would be contrary to s 14(a) of the Act as its use was likely to cause deception and/or confusion to the public; and (c) registration of the mark would be contrary to s 14(a) (read together with s 82(2) of the Act) as its use would be contrary to law. The learned Assistant Registrar of Trade Marks ('the registrar') dismissed the appellant's notice of opposition. This was the appellant's appeal.

**Held**, allowing the appeal:

(1) In opposition proceedings, the onus was on an applicant for registration (the first respondent) to satisfy the tribunal that its trade mark was registrable and should be registered under the Act. Hence, the first

respondent's contention that the onus of proof was on the appellant was misconceived and erroneous in law (see paras 28 and 30). A

(2) The appellant became the registered proprietor of the 'THRIFTY' mark in the United States since 1964 and had appointed a sole franchisee to operate the said business in Malaysia since 1 January 1985. The unchallenged documentary evidence showed that the 'THRIFTY' mark was referred to in correspondence by the appellant's franchisee in Malaysia since February 1985. All this took place prior to the filing date of the application under opposition. The first respondent's failure to proffer any plausible explanation on its choice of mark clearly showed that the first respondent did not independently devise the trademark but copied it from the 'THRIFTY' mark. Thus, the first respondent was not and cannot claim to be the proprietor of the mark and registrar should not have allowed the application under opposition to proceed to registration (see paras 2, 5 and 14). B C

(3) On the filing date of the application under opposition, the appellant had already been using the 'THRIFTY' mark in Malaysia. As such, the first respondent cannot claim to be the proprietor of the 'THRIFTY' mark when it applied to register the mark because the appellant had already used the 'THRIFTY' mark in the United States, Malaysia and other countries (see para 15); *Lim Yew Sing v Hummel International Sports & Leisure A/S* distinguished. D

(4) The registrar had applied the wrong test and had considered whether the use and/or registration of the first respondent's mark would likely to cause confusion or deception amongst a substantial number of persons in the trade in Malaysia. He should have considered whether the use and/or registration of the first respondent's mark would be likely to cause confusion or deception amongst members of the public, as opposed to persons in the trade alone. The registrar should have refused registration of the application under opposition as there was a real risk of confusion and deception in that members of the public might erroneously suppose that the first respondent's business or services originated from or were in some way connected with the appellant (see para 17). E F

(5) The use or registration of the mark by the appellant would constitute passing-off and thus, its registration was prohibited by s 14(a) read together with s 82(2) of the Act. The appellant had acquired substantial goodwill and reputation in the 'THRIFTY' mark by virtue of extensive use and promotion of its business and services before the filing date of the application under opposition. The appellant was therefore entitled to rely on the reputation and goodwill acquired by the 'THRIFTY' mark in the United States and countries in this region. The courts in Malaysia should adopt a more liberal and flexible approach in evaluating whether a foreign plaintiff (in this case, the appellant) had acquired goodwill or reputation (see paras 21 and 41). G H

(6) The registrar should have refused registration of the application under opposition as the registration or use of the 'THRIFTY' mark by the first respondent would contravene art 6 of the Paris Convention by virtue of Malaysia being a signatory to this Convention (see para 26). I

(7) It was not a pre-requisite under s 14(a) of the Act that the appellant must have acquired goodwill and reputation in the mark in Malaysia prior to the application. It is sufficient so long as the 'THRIFTY' mark had been in use in Malaysia by the appellant prior to the application. The goodwill and reputation of the appellant in other countries since the 1960's was sufficient to invoke the application of s 14(a) of the Act (see paras 32 and 35); *Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd* followed.

[**Bahasa Malaysia summary**

Pemohon merupakan sebuah syarikat didaftarkan di Oklahoma, Amerika Syarikat dan menjalankan perniagaan sebagai penyewa dan pemajak kenderaan (perniagaan tersebut) di Amerika semenjak 1958. Pemohon merupakan pemilik berdaftar tanda niaga yang dikenali sebagai THRIFTY RENT-A-CAR dan tanda niaga THRIFTY ('THRIFTY') untuk penyewaan kenderaan automobil di Amerika Syarikat semenjak 1964 dan 1966. Pemohon telah melantik Sintat-Rent-A-Car International Pte Ltd sebagai pemilik francais utama untuk perniagaannya di Malaysia, Thailand dan Singapura semenjak 1 Januari 1985.

Responden pertama, sebuah syarikat yang diwujudkan di Malaysia telah memfailkan satu permohonan untuk mendaftar tanda niaga 'THRIFTY RENT-A-CAR' antara lain berkenaan dengan kertas dan barangan kertas, kadbod, alat tulis dan alatan melekat dalam Kelas 16 pada 8 Oktober 1985 (permohonan yang ditentang). Perbandingan tanda niaga tersebut telah dipohon dalam permohonan yang ditentang dan tanda 'THRIFTY' itu menunjukkan bahawa tanda tersebut hampir sama.

Pemohon memfailkan satu notis penentangan pendaftaran tanda niaga responden pertama atas alasan: (a) Responden pertama tidak berhak untuk mendakwa bahawa tanda niaga tersebut merupakan milik responden seperti yang tertera dalam s 25(1) Akta Cap Dagangan 1976 (akta tersebut) kerana pemohon merupakan pemilik asli, dan pengguna pertama tanda niaga tersebut; (b) pendaftaran tanda niaga tersebut tidak mengikut s 14(a) yang patut diteliti bersama dengan 82(2) akta tersebut dan ia dapat menimbulkan kekeliruan dan juga penipuan. Penolong Pendaftar tanda niaga (pendaftar) telah menolak bantahan pemohon. Kes ini merupakan permohonan pemohon.

**Diputuskan**, permohonan dibenarkan:

(1) Dalam prosiding pembantahan, onus adalah atas pemohon yang ingin mendaftar (responden pertama) untuk memuaskan tribunal bahawa tanda niaga tersebut boleh didaftar dan patut didaftar di bawah Akta tersebut. Oleh itu, hujahan responden pertama bahawa beban bukti berada pada pemohon merupakan tanggapan yang silap dan salah di segi undang-undang (lihat perenggan 28 dan 30).

(2) Perayu merupakan pemilik berdaftar tanda niaga 'THRIFTY' di Amerika Syarikat semenjak 1964 dan telah melantik francais tunggal untuk menjalankan operasi perniagaan tersebut di Malaysia sejak 1 Januari 1985. Terdapat keterangan dokumentar yang tidak dapat dinafikan yang menunjukkan tanda niaga 'THRIFTY' telah digunakan

dalam surat yang ditujukan kepada pemilik francais di Malaysia sejak Februari 1985. Semua ini mengambil tempat sebelum tarikh memfailkan permohonan untuk menentang tanda niaga tersebut. Responden pertama gagal untuk memberikan sebarang penjelasan yang munasabah tentang pemilihan tanda niaga menunjukkan bahawa responden pertama tidak mencipta tanda niaga tersebut tetapi telah meniru dari tanda 'THRIFTY'. Jadi responden pertama tidak boleh mendakwa bahawa beliau adalah pemilik tanda niaga itu dan tidak boleh membenarkan permohonan yang ditentang itu didaftar (lihat perenggan 2, 5 dan 14).

(3) Pada tarikh memfailkan permohonan yang ditentang, pemohon telah menggunakan tanda 'THRIFTY' di Malaysia. Jadi responden pertama tidak boleh mendakwa menjadi pemilik tanda tersebut kerana bila responden memohon untuk menggunakan permohonan tersebut, tanda itu telah pun digunakan di Amerika Syarikat, Malaysia dan negara-negara lain (lihat perenggan 15); *Lim Yew Sing v Hummel International Sports & Leisure A/S* dibeza.

(4) Pendaftar telah menggunakan ujian yang salah dan membuat pertimbangan sama ada penggunaan atau pendaftaran responden pertama akan mewujudkan kekeliruan dan penipuan ke atas orang ramai yang menjalankan perniagaan yang sama di Malaysia. Pendaftar sepatutnya mempertimbangkan sama ada pemakaian atau/dan pendaftaran tanda niaga responden pertama boleh mengakibatkan kekeliruan dan penipuan ke atas orang ramai yang bakal menggunakan perkhidmatan tersebut dan kesilapan yang dibuat orang ramai dan bukan hanya oleh orang-orang dalam industri tersebut. Pendaftar sepatutnya menolak pendaftaran yang dibantah kerana wujudnya risiko kekeliruan yang nyata dan penipuan di mana orang ramai mungkin akan menyamakan kedua perniagaan tersebut sebagai perniagaan yang sama (lihat perenggan 17).

(5) Penggunaan dan pendaftaran tanda niaga tersebut dari pemohon akan disamakan sebagai kelirupaan dan pendaftaran ini dihalang oleh s 14(a) dibaca bersama dengan s 82(2) Akta tersebut. Perayu telah memperoleh nama baik dan reputasi yang substantif dengan menggunakan tanda niaga 'THRIFTY' tersebut secara ekstensif dam pemasaran perniagaannya sebelum tarikh memfailkan permohonan yang ditentang. Pemohon juga berhak untuk bergantung pada nama baik dan reputasi yang diperolehi dari tanda niaga 'THRIFTY' di Amerika Syarikat dan negara lain. Mahkamah di Malaysia harus mengambil pendekatan yang lebih liberal dan fleksibel dalam memastikan sama ada plaintif asing (pemohon di sini) telah memperoleh nama baik ataupun reputasi (lihat perenggan 21 dan 41).

(6) Pendaftar sepatutnya menolak pendaftaran pemohon tersebut yang ditentang oleh kerana pendaftaran tanda 'THRIFTY' oleh responden pertama akan melanggar Art 6 Konvensi Paris, di mana Malaysia merupakan ahli kepada konvensi ini (lihat perenggan 26).

(7) Adalah tidak wajib di bawah s 14(a) Akta tersebut supaya pemohon mesti memperoleh nama baik dan reputasi tanda niaga tersebut di Malaysia sebelum permohonan ini dibuat. Adalah memandai jika tanda 'THRIFTY' telah digunakan di Malaysia oleh pemohon sebelum permohonan dibuat. Nama baik dan reputasi pemohon dalam dinegara lain semenjak 1960an adalah memadai untuk menguatkuasakan pemakaian s 14 Akta tersebut (lihat perenggan 32 dan 35); *Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd* diikut.]

**Notes**

For cases on opposition of application for registration of trademarks, see 12 *Mallal's Digest* (4th Ed, 2002 Reissue) paras 1684-1710.

For cases on similarity in trade names, see 12 *Mallal's Digest* (4th Ed, 2002 Reissue) paras 1850-1859.

**Cases referred to**

*Alfred Dunhill Limited and Anor v Sunoptic SA* [1979] FSR 337 (refd)
*'BALI' Trade Mark* [1969] RPC 472 (refd)
*C & A Modes and Anor v C & A (Waterford) Ltd and Ors* [1978] FSR 126 (refd)
*ConAgra Inc v McCann Foods (Aust) Pty Ltd* 23 IPR 193 (refd)
*Davidoff Extension SA v Davidoff Gommercio E Industria LTDA* [1988] 1 MLJ 234 (refd)
*Dun & Bradstreet (Singapore) Pte Ltd & Anor v Dun & Bradstreet (Malaysia) Sdn Bhd* [1994] 1 MLJ 32 (refd)
*Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731 (refd)
*In the Matter of Dunn's Trade Mark* [1980] 7 RFC 311 (refd)
*Karrimor International Ltd v Ho Choong Fun t/a Ah Kwa Trading* [1989] 3 MLJ 467 (refd)
*Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 (distd)
*Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd* [1997] 2 MLJ 724 (folld)
*Moorgate Tobacco Co Ltd v Philip Morris Ltd* [1984] 156 CLR 414 (refd)
*NOVA Trade Mark* (1968) RPC 357 (refd)
*Pontiac Marina Pte Ltd v CDL Hotels International Limited* [1997] FSR 725 (refd)
*Re Hick's Trade Mark* (1897) 22 VLR 636 (refd)
*Re Registered Trade Mark 'Yanx'; Ex parte Amalgamated Tobacco Corp Ltd* (1951) CLR 199 (refd)
*Seet Chuan Seng & Anor v Tee Yih Jia Manufacturing Pte Ltd* [1994] 2 SCR 191 (refd)
*Smith Hayden & Co Ltd's Application* (1945) 65 RFC 97 (refd)
*Tai Muk Kwai & Ors v Luen Hup Medical Company* [1988] 3 MLJ 69 (refd)
*Tan-Ichi Company Ltd v Jancar Limited and Ors* [1990] FSR 151 (refd)
*The Seven-up Co v OT Ltd* (1947) 75 CLR 203 (refd)
*The Titan Manufacturing Co Pty Ltd v Covne* [1991] AIPC 90-808 (refd)
*Thunderbird Trade Mark* [1976] RPC 285 (refd)
*Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 147 (refd)
*'Welsh Lady' Trade Mark* [1964] RFC 459 (refd)

**Legislation referred to**

Patents Designs and Trade Marks Act 1883 [UK] ss 3, 72(2)
Trade Marks Act (Cap 332) [Sing] s 15
Trade Marks Act 1890 [Aust]
Trade Marks Act 1938 [UK] s 11
Trade Marks Act 1976 ss 14, 25(1), 82(2)

*Michael Soo (KP Ng with him) (Shook Lin & Bok) for the applicant*
*Azman Bin Othman (Chooi & Co) for the respondent*

**Faiza Tamby Chik J:**

**[1]** The Notice of Originating Motion dated 16 June 1998 (Enclosure 2) is an appeal against the decision dated 16 May 1998 of the learned Assistant Registrar of Trade Marks, Malaysia ('the learned Assistant Registrar') in dismissing the Appellant's Notice of Opposition dated 30 October 1990. The grounds of appeal are set out in para (a) to (k) of Enclosure 2. The Notice of Originating Motion is supported by the Affidavit of Teo Chiang Chye affirmed on 16 June 1998 ('Teo's Affidavit').

**[2]** The Appellant is a company organised and existing under the laws of the State of Oklahoma, United States, and has been engaged in the business of, inter alia, renting and leasing vehicles, providing vehicle parking, providing travel agency services, renting and leasing equipment and selling vehicles (hereinafter referred to as 'the Business') in the United States since 1958 (see paras 1 and 3 of 'TCC-5', pp 65-67). The Appellant has been the registered proprietor of the 'THRIFTY RENT-A-CAR' and 'THRIFTY' trade marks (hereinafter collectively referred to as the 'THRIFTY' mark) for automobile rental services in the United States since 1964 and 1966 respectively (see para 3 of 'TCC-5', pp 67, 78 and 80). The Appellant has been carrying on the Business using the THRIFTY mark in the United States and has appointed licensees and franchisees to carry out the Business worldwide since the 1960s. The Appellant has advertised and promoted the Business by way of, inter alia, directories, brochures and advertising materials which have been distributed extensively worldwide including in Malaysia and Singapore at various locations such as airports since many years ago (see para 5 of TCC-5', PP 67-69, 81-106, 138-163). The Appellant has appointed Sintat Rent-A-Car International Pte Ltd as its sole franchisee for the Business in Malaysia, Thailand and Singapore with effect from 1 January 1985 pursuant to a Franchise Agreement signed between TRAC Nederlands B.V. and Sintat Rent-A-Car International Pte Ltd (see para 3 of 'TCC-8', pp 388-389, 398-417). It is provided in the Franchise Agreement that it took effect from 1 January 1985 (see p 399). The First Respondent filed an application to register the 'THRIFTY RENT-A-CAR' mark in respect of paper and paper articles, cardboard and cardboard articles, printer (sic) matter, stationery and adhesive materials in Class 16 on 8 October 1985 vide application No 85/04405 ('the application under opposition') (see 'TCC-2', pp 57-58). There is unchallenged documentary evidence showing that the THRIFTY mark was referred to in correspondence from Sintat Rent-A-Car (M) Sdn Bhd, an associated company of Sintat Rent-A-Car International Pte Ltd, to its solicitors M/s Skrine & Co between

February and March 1985, and in correspondence from Sintat Thrifty Rent-A-Car to the Appellant between 3 and 14 October 1985 in Malaysia since 1985 (see paras 6 and 7 of 'TCC-8', pp 389, 446-451). Thus, the THRIFTY mark has been used by the Appellant's franchisee in Malaysia and Singapore since early 1985, which is before the filing date of the application under opposition. There is also unchallenged documentary evidence showing that the Appellant's franchisee has been using the THRIFTY mark extensively in Malaysia since 1987 (see 'TCC-5', pp 238-163). A comparison of the mark applied for in the application under opposition (see 'TCC-2', pp 57-58) and the Appellant's THRIFTY mark (see 'TCC-5', pp 76, 82, 84 and 85) shows that both are identical or almost identical. The First Respondent was incorporated under the name of Tasek Travel & Tours Sdn Bhd on 3 October 1978 and later changed its name it Thrifty Rent-A-Car Sdn Bhd on 12 April 1979, and subsequently adopted a mark which is identical to the Appellant's THRIFTY mark. In addition to obtaining registration for the THRIFTY mark in the United States, the Appellant is also the registered proprietor or applicant for registration of the THRIFTY mark in many countries including Canada, South Korea, Germany, Thailand, Taiwan, Japan, Kuwait, Indonesia, China and Bahrain (see para 8 of 'TCC-5', pp 69, 172-204). The Appellant has also filed an application No 87/03388 for the THRIFTY mark in respect of all goods in Class 16 in Malaysia on 3 August 1987 (see para 4 of TCC-14', P. 642).

**[3]** I think the learned Registrar should not have allowed the application under opposition to proceed to registration as the First Respondent is not, and cannot claim to be, the originator or proprietor of the THRIFTY mark since the Appellant is the originator and first user of, and has been using the THRIFTY mark, many years before the First Respondent applied for registration of the THRIFTY mark. In *Karrimor International Ltd v Ho Choong Fun t/a Ah Kwa Trading* [1989] 3 MLJ 467, the applicants were a company incorporated in the United Kingdom and were manufacturers and dealers of school bags and knapsacks bearing the 'Karrimor' trade mark, which has been used since 1958 and had been registered in Great Britain and many foreign countries. The respondent on the other hand had been distributing and selling similar items bearing the 'Karrinor' trade mark since 1984 in Singapore. On the dispute of ownership between the applicant (ie the foreign trader) and the respondent (ie the local trader) in respect of the mark, Chua J at p 468 left column, lines C–H said:

> The applicants have since 1958 acquired a worldwide reputation in their products. They have acquired a substantial and established reputation and goodwill in the business of 'Karrimor' school bags and knapsacks. The trade and public exclusively identify 'Karrimor' school bags and knapsacks with the applicants.
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> The respondent has been distributing and selling school bags and knapsacks with the trade mark 'Karrinor' since early 1984 ... There is no evidence that the respondent had advertised his products widely in newspapers. The respondent must have been well aware of the well-known trade mark of the applicants. He has not explained at all his choice of the trade mark 'Karrinor' which is very similar to 'Karrimor'. The name of the applicants contains the trade mark 'Karrimor'. This fact indicates that the respondent did not independently devise his trade mark but

in fact copied it from the applicant's trade mark. The respondent in truth is not the true proprietor of the mark 'Karrinor'. There is no doubt that the respondent is trying to obtain the benefit of the worldwide reputation of the applicants.

**[4]** In *Davidoff Extension SA v Davidoff Gommercio E Industria LTDA* [1988] 1 MLJ 234, the applicant, Davidoff Extension SA, was a company in a group of companies which marketed certain cigars under the trademark 'Davidoff'. The Davidoff Group of Companies have registered their trademark 'Davidoff' in many parts of the world. The respondents obtained registration of the 'Davidoff' trademark in Singapore. Davidoff Group subsequently applied for the registration of the trademark 'Davidoff' in Singapore, but the application was held in abeyance in view of the respondents' earlier registration for the same mark. The High Court of Singapore allowed the applicant's application for rectification of the respondents' trademark registration on the grounds that, on the evidence before the Court, the 'Davidoff' trademark was associated with the Davidoff Group as owners and it had acquired a sufficient reputation in Singapore, and members of the public had been deceived into thinking that the respondents' cigars were manufactured by the applicant. Chua J said at p 236:

> It is clear from the evidence that the trademark Davidoff has long been associated with the Davidoff Group as owners. The trademark Davidoff originated with (sic) Mr Zino Davidoff who is still involved with the Davidoff Group. The trademark Davidoff was first registered in Switzerland by Davidoff et Cie in Switzerland in December 1969. Prior to 1979, consumers in Singapore ordered Davidoff cigars from the applicants' office in Basle.
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> The name Davidoff gained an extensive reputation and this reputation is still upheld even today. The respondents, a company which came into being in 1978 long after the establishment of the Davidoff Group, must have been aware of this fact since they are in the same trade. The respondents' trademark is identical to that of the Davidoff Group's. These facts clearly indicate that the respondents did not independently devise the trademark but in fact copied it or stolen it and cannot claim to the proprietors thereof.
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> The respondents were well aware of the prior claim to the proprietorship of the trade mark 'Davidoff' by the applicants. The respondents have not sufficiently explained their choice of the 'Davidoff' trademark. The applicants' trademark had acquired a sufficient reputation in this country, at the date of the application by the respondents for the registration of their mark, as to merit protection. The respondents were not entitled to registration at the time of their application (see Pelican TM).

**[5]** It can be seen that in the instant case the Appellant has been engaged in the business of, inter alia, renting and leasing vehicles, providing vehicle parking, providing travel agency services, renting and leasing equipment and selling vehicles ('the Business') in the United States since 1958 (see paras 1 and 3 of TCC-5', pp 65-67); it has been the registered proprietor of the 'THRIFTY RENT-A-CAR' and 'THRIFTY' trademarks for automobile rental services in the United States since 1964 and 1966 respectively (see para 3 of 'TCC-5', pp 67, 78 and 80); it has appointed a sole franchisee for the Business in Malaysia, Singapore and Thailand since 1 January 1985 (see para 3 of 'TCC-8', pp 388-389, 398-417); it has advertised and promoted the

Business extensively worldwide including Malaysia and Singapore (see para 5 of 'TCC-5', PP 67-69, 81-106, 138-163); and there is unchallenged documentary evidence which shows that the TFIRIFTY mark was referred to in correspondence by the Appellant's franchisee in Malaysia since February 1985 (see para 7 of 'TCC-8', pp 389, 446-452). All this took place prior to the filing date of the application under opposition. Further, the Appellant is also the registered proprietor or the applicant for registration of the THRIFTY mark in a number of other countries prior to the filing date of the application under opposition. The Appellant has explained in the Further Statutory Declaration of Peh Hai Teng (Exhibit 'TCC-8') (who has been working with the Appellant's franchisee, Sintat, in Malaysia since 1983, that the records and documents aged over six years were destroyed prior to Sintat shifting its office premises in 1992 (see para 6 of 'TCC-8', pp 388-389). I think the First Respondent's failure to proffer any plausible explanation on its choice of mark which is identical or almost identical to the Appellant's THRIFTY mark, clearly shows that the First Respondent did not independently devise the trademark but copied it from the Appellant's THRIFTY mark. Thus, the First Respondent is not, and cannot, claim to be the proprietor of the mark. In the circumstances, it is only logical and natural to draw an adverse inference against the First Respondent's choice of the THRIFTY mark because it is not bona fide but is intended to ride on or 'cash in' on the Appellant's worldwide reputation or goodwill. In cases involving 'piracy' of foreign marks, the observations of William J in *The Seven-up Co v OT Ltd* (1947) 75 CLR 203 at p 211 is illuminating, where William J said at p 35:

> In my opinion the effect of these cases in the absence of fraud it is not unlawful for a trader to become the registered proprietor under the Trade Marks Act of a mark which has been used, however extensively, by another trader as a mark for similar goods in a foreign country, provided the foreign mark has not been used at all in Australia at the date of the application for registration. But the position is different if at that date the mark has become identified with the goods of the foreign trader in Australia because those goods have been brought into Australia by the foreign trader himself or by some importer or in some other manner. The court frowns upon any attempt by one trader to appropriate the mark of another trader although that trader is a foreign trader and the mark has only been used by him in a foreign country. It therefore seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia. It is not then a mark which another trader is entitled to apply to register under the Trade Marks Act because it is not his property but the property of the foreign trader ...
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> Further, if at the date of the application for registration, the mark of the foreign trader, although it has not been used in Australia, has nevertheless become associated in the minds of the Australian public with his goods because it has been advertised in publications which have circulated extensively in Australia or in some other manner, the registrar is entitled to refuse to register the mark for such goods because it is likely to deceive.

**[6]** In *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7, the Court of Appeal held that there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign trade mark used for similar foreign goods provided

that the foreign trade mark has not been used at all in Malaysia. Mahadev Shanker JCA, in delivering the judgment of the Court of Appeal, cited and approved William J's observations in the *The Seven-up Co v OT Ltd* (supra). Mahadev Shanker JCA also said at lines C-F and lines H-I, as follows:

> By way of a postscript, we feel it necessary to add that this judgment is not intended to encourage anybody in this country to pass off his goods as the goods of a foreign country (sic) by appropriating the mark of the latter. The remarks of Williams J in *The Seven-up Co v OT Ltd* which we cited earlier is still good law in Malaysia today. In stark contrast to the situation in 1947, we live today in a world of instant audio-visual communication. Provided he puts a reasonable quantity of his product on sale in Malaysia, it has become very easy for a trader to get his mark identified with and distinctive of his goods. It is common knowledge that telecasts of international sporting events attract the attention of a very sizeable segment of the Malaysian population. The 'very small amount of use of the foreign mark in Australia' to which Williams J was referring keeps coming to us in Malaysia today in relentless bursts of promotional material in the midst of our favourite TV programmes.
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> Courts everywhere have an abiding distaste of pretenders who claim to have a reputation they do not possess.
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> Potential infringers will be well advised to take careful note that a very learned trial judge in this case found for the respondent. We reversed him only because the material was wholly inadequate. Others may not be so lucky.

**[7]** Therefore it can be seen that three propositions of law can be deduced as follows, namely:

(a) the material time to determine whether a trademark has been used by a foreign trader is at the date of application for registration by another local trader of the same mark;

In the instant case, at the filing date of the application under opposition, ie 8 October 1985, the Appellant had already been using the THRIFTY mark in Malaysia;

(b) If at the date of application for registration by a local trader, the foreign trader's mark, although it has not been used in Malaysia, has become associated in the minds of the public with the foreign trader's goods, that local trader cannot appropriate or claim proprietorship of the foreign trader's mark. I think there are no artificial limits on geographical areas to which reputation or goodwill can or cannot extend. Thus, the Appellant's reputation or goodwill in the THRIFTY mark outside Malaysia since the 1960s also reinforces and supplements the reputation and goodwill of the Appellant's THRIFTY mark in Malaysia. This Court should take judicial notice that modern technology and communications have improved to such an extent that the public in Malaysia would be aware of foreign marks even though such marks had not been previously used in Malaysia. Confusion and deception have no borders in these days of the information-technology age. The learned Registrar has erred in not taking into consideration the fact that a large number of Malaysians

A have visited or been staying temporarily for work or education in the United States, Australia, Europe and our neighbouring countries over the years. These travellers would have or might have used or come across car renting services under the THRIFTY mark provided by the Appellant and its franchisees/licensees in these countries.

B (c) A small amount of use of a trade mark by the foreign trader is sufficient to prevent a local trader from claiming proprietorship in the foreign trader's trade mark. The Appellant has through its franchisee used the THRIFTY mark in Malaysia prior to the filing date of the application under opposition.

C **[8]** In recent years, courts in some Commonwealth jurisdictions have adopted a more liberal and pragmatic approach in recognising reputation or goodwill of foreign marks in their respective jurisdictions, in view of modern means of communications where large volume of businesses are being transacted across borders. At this juncture, it suffices to point out that this trend and approach has been followed by some judges in Malaysia recently.
D In *Dun & Bradstreet (Singapore) Pte Ltd & Anor v Dun & Bradstreet (Malaysia) Sdn Bhd* [1994] 1 MLJ 32 (this decision was subsequently upheld by the Federal Court of Malaysia), Abdul Malek J (as he then was) granted an interlocutory injunction to restrain the defendants from carrying on business under the name Dun & Bradstreet although the plaintiff's group
E of companies had not carried on business in Malaysia except that the first plaintiff had dealings in the form of subscription contracts with about 30 Malaysian companies. Abdul Malek J (as he then was) held that reputation plus some activity in Malaysia was sufficient to establish a business goodwill that was entitled to protection in Malaysia and quoted with approval Sears J's judgment in *Tan-Ichi Company Ltd v Jancar Limited and Ors* [1990] FSR
F 151, where he said as follows:

> This is an evolving field of law ... a court must respond to the changes which have occurred in international communications. The large number of tourists crossing and re-crossing national boundaries; the speed and efficiency of modern technology which cause business reputation to be more widely spread and recognised than in the past. Courts in other jurisdictions have responded to the change ...

G **[9]** In *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 1437, the Court of Appeal in Singapore in allowing an opposition against the registration of the mark 'Tiffany' under s 15 of the Trade Marks Act (Cap 332), which is in pari materia with s 14 of the Malaysian Trade Marks Act
H 1976, held that an application for registration of a mark will be refused under s 15 of the Act if use of the mark would be likely to deceive or confuse the public such that it would be disentitled to protection in a court of justice. There was no need for the appellants (ie the opponent) to show that they, or some other person, had used the 'Tiffany' mark in Singapore prior to the respondent's application to register their mark before the appellants
I could invoke s 15 as a ground in opposition proceedings. The Court also held that modern technology and communications had improved to such an extent that the public in Singapore would be aware of foreign marks even

though such marks had not been used previously (sic) in Singapore, and confusion and deception has no borders and these days can be sufficiently shown to arise through knowledge, cognisance or awareness of an international reputation.

**[10]** In *Re Hick's Trade Mark* (1897) 22 VLR 636 Holroyd J at pp 639 and 640 explained the meaning of 'proprietor' under the Australian Trade Marks Act 1890, as follows:

> A person cannot be properly registered unless he is the proprietor. Proprietor is the person who at the moment he makes application to be registered is entitled to the exclusive use of the name, whether he then or before publicly adopted it. A man cannot be said to have adopted a name if someone else has done so before him. Sec 19 merely says that the act of applying is to be deemed equivalent to public user. No one could otherwise be entitled to registration as proprietor unless he had publicly used the trade name before. The section does not affect the fact that another person used the name first, The difficulty here is that although Hicks may have by virtue of his application publicly used the name, someone else publicly used it before him.

And at p 46 Holroyd J said:

> In order to substantiate his application to be placed on the register for this word he must have claimed to be the proprietor, and the word 'proprietor' must be taken to mean the person entitled to the exclusive use of the name. If there is anyone else who would be interfered with by the registration of the work 'Empress' in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the register for that trade mark, and his name will be properly removed on the application of the person whose right of user was thereby disturbed.

**[11]** *Re Hick's Trade Mark* was cited with approval by Williams J when delivering judgment of the High Court of Australia in *Re Registered Trade Mark 'Yanx'; ex p Amalgamated Tobacco Corp Ltd* (1951) CLR 199.

**[12]** In *Moorgate Tobacco Co Ltd v Philip Morris Ltd* (1984) 156 CLR 414, Deanne J when delivering the judgment of the High Court of Australia, at p 432 said:

> … the requisite use of the trade mark need not be sufficient to establish a local reputation and there is authority to support the proposition that evidence of but slight use in Australia will suffice to protect a person who is the owner and user overseas of a mark which another is seeking to appropriate by registration under the Trade Marks Act. In such a case, the court 'seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia.': see *The Seven-up Co v OT Ltd* (63); *Aston v Harlee Manufacturing Co* (64).

**[13]** In the circumstances of the instant case, the First Respondent is not, and cannot honestly claim, to be the proprietor of the THRIFTY mark under s 25(1) of the Trade Marks Act 1976. In *Tai Muk Kwai & Ors v Luen Hup Medical Company* [1988] 3 MLJ 69, a case concerning rival claim of ownership of trademarks, Chan Sek Keong JC (as he then was) said:

... There was a sufficient prior use of the word mark 'Nan Lien' and the design mark in Singapore for the first plaintiff to have prevented Ultra from making any claim to the ownership to and registration of the said marks in Ultra's name if it had wanted to at the relevant time. If Ultra had purported to claim an absolute ownership of the said marks, it would have been a wrongful claim: see *Re Inescourt's Trade Mark (Le Vampire) and North Shore Toy Co Ltd v Charles L Stevenson Ltd*; *Thunderbird Products Corporation . Thunderbird Marine Products Pty Ltd*

In the *Thunderbird* case, the High Court of Australia held, where the applicant, an American company, had sold a model of a power boat to an Australian company and the correspondence between them leading up to the sale contained the word Thunderbird' placed in such a way as to show that it was intended as a trademark, the High Court of Australia held that the Australian company was not entitled to register the mark as its own and that knowledge acquired by a single importer that an article sold to him has a distinctive mark was sufficient to give distinctiveness to that mark in the Australian market.

**[14]** In the case of *Thunderbird Trade Mark* (1976) RPC 285, where the High Court of Australia held that the American company (ie the applicant for rectification) who had used the Thunderbird trade mark on power boats in America and had exported one loosely assembled boat, suitable for mould-making, with the Thunderbird trade mark to Australia, was entitled to prevent registration of the Thunderbird trade mark by the importer in Australia and hence was entitled to rectify the trade mark registration obtained by the Australian importer. Jacobs J said at p 292 as follows:

In the present case the use relied on is a use by the American corporation when it dealt with the local company. It happened to be a single sale so that the local company was a single importer, but that is by the way. It is a use in Australia, and registration by another of the trade mark prevents the further use of the mark by the person who had been the first to use it. That is not permissible because it bars the true proprietor of the mark in Australia, the person who had first used the mark to distinguish his goods in the course of trade in this country. I am of the opinion that the claim of American Marine Distributors Pty. Ltd that it was the proprietor of the mark on 1 December 1965 was not well founded and that therefore the initial entry of registration should not have been made.' I am of the view that the decisions in *Tai Muk Kwai* and *Thunderbird* are applicable to opposition proceedings although both cases concerned competing claim of ownership in a mark in rectification proceedings. In *'BALI' Trade Mark* (1969) RPC 472, the House of Lords held that the applicable test for opposition under Section 11 of the UK Trade Marks Act 1938 (which is in pari materia with Section 14 of the Malaysian Trade Marks Act 1976) is the same as the test applicable to rectification. Lord Upjohn said at pp 496 to 497:

'It is not necessary in order to find that a mark offends against section 11 to prove that there is an actual probability of deception leading to a passing off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied not merely that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register. And so mutatis mutandis when it is sought to expunge a mark.'

**[15]** The First Respondent cannot claim to be the proprietor of the THRIFTY mark when it applied to register the mark on 8 October 1985 since the Appellant had already used the THRIFTY mark in the United States, Malaysia and other countries. It is not disputed by the First Respondent that it is settled law that the relevant date for determination is the filing date of the application under opposition. I think *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 can be distinguished from the instant case. In that case, the plaintiff being a foreign trader, had failed to use the mark at all in Malaysia at the date of the trade mark application sought to be expunged from the register of trade marks, whereas, in the instant case the Appellant has used the THRIFTY mark in Malaysia prior to the relevant date, ie 8 October 1985. The ratio decidendi of *Lim Yew Sing* (supra) is found in Mahadev Shankar JCA's judgment at pp 12 to 13 as follows:

> Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however, distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using the mark in a foreign country, there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used at all in Malaysia.

**[16]** At page 31 Mahadev Shanker said:

> By way of a postscript, we feel it necessary to add that this judgment is not intended to encourage anybody in this country to pass off his goods as the goods of a foreign country (sic) by appropriating the mark of the latter. The remarks of Williams J in *The Seven-up Co v OT Ltd* which we cited earlier is still good law in Malaysia today. In stark contrast to the situation in 1947, we live today in a world of instant audio-visual communication. Provided he puts a reasonable quantity of his product on sale in Malaysia, it has become very easy for a trader to get his mark identified with and distinctive of his goods. It is common knowledge that telecasts of international sporting events attract the attention of a very sizeable segment of the Malaysian population. The 'very small amount of use of the foreign mark in Australia' to which Williams J was referring keeps coming to us in Malaysia today in relentless bursts of promotional material in the midst of our favourite TV programmes.
>
> Courts everywhere have an abiding distaste of pretenders who claim to have a reputation they do not possess. Potential infringers will be well advised to take careful note that a very learned trial judge in thus case found for the respondent. We reversed him only because the material was wholly inadequate. Others may not be so lucky.

**[17]** In the instant case, the learned Assistant Registrar has applied the wrong test: 'whether use and/or registration of the First Respondent's mark would not be likely to cause confusion or deception amongst a substantial number of persons in the trade in Malaysia?', when he should have considered whether use and/or registration of the First Respondent's mark would be likely to cause confusion or deception amongst members of the public, as opposed to persons in the trade alone. The Registrar should have refused registration of the application under opposition as there is a real risk

of confusion and deception in that members of the public might erroneously suppose that the First Respondent's business or services are originating from or in some way connected with the Appellant. Section 14 of the Trade Marks Act 1976 stipulates:

> A mark or part of a mark shall not be registered as a trade mark–
>
> (a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;
>
> (b) if it contains or comprises any scandalous or offensive matter or would otherwise not be entitled to protection by any court of law.

**[18]** It is apposite to refer to the House of Lord's decision in '*BALI' Trade Mark* (1969) RPC 472 on the applicable test under s 11 of the UK Trade Marks Act 1938 (which is in pari materia with s 14 of the Malaysian Trade Marks Act 1976) the material part reads:

> It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice ...

**[19]** Lord Upjohn said at pp 496 to 497:

> What then, is the test? This must necessarily be a question of fact and degree in every case, I am content in amplification of the test laid down by Evershed J to take the test as in effect laid down by Romer J in *Jellinek's Trade Mark* (1946) 63 RPC 59 at page 78:
>
> > 'It is not necessary in order to find that a mark offends against section 11 to prove that there is an actual probability of deception leading to a passing off or (I add) an infringement action. It is sufficient if the result of the registration of the mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products come from the same source. It is enough if the ordinary person entertains a reasonable doubt, but the court has to be satisfied that there is a possibility of confusion; it must be satisfied that there is a real tangible danger of confusion if the mark which it is sought to register is put on the register. And so mutatis mutandis when it is sought to expunge a mark.'

**[20]** The House of Lords held in *'BALI' Trade Mark* (supra) that in trade mark proceedings, if it is established that a mark was potentially deceptive or conducive to confusion among members of the public, it was immaterial whether or not it also caused injury to the party seeking to rectify the register or prevent registration, and to establish that a mark offended against s 11, it is necessary only to show likelihood of deception or confusion, and it is not necessary to show something further, such as some possible, probable or certain success in a passing-off action. It was held that the BALI trade mark was likely to be confused with the BERLEI trade mark and hence offended against s 11 of the UK Trade Marks Act 1938 even though the evidence showed that there was no actual instance of confusion nor any confusion in other countries where the expensive tailor-made BALI brassieres had long been sold in competition with appreciably cheaper mass-produced BERLEI brassieres. It should be pointed out that 'BALI' Trade Mark was distinguished and not followed by the Court of Appeal of

Singapore in *Tiffany* (supra) where the Court in the latter case held that it was not necessary for the opponents to show that they had used the mark in Singapore prior to the respondent's application as a ground in opposition proceedings. Therefore I am of the opinion that there is no merit in the First Respondent's assertion that the use of registration of the THRIFTY mark would not likely to deceive or cause confusion among members of the public, in view of the fact that the Appellant has acquired a worldwide reputation and its car rental services are being widely used by travellers, tourists and business executives. The users or potential users of these services would generally rely on the THRIFTY mark as a source of providing quality and reliable services.

**[21]** Another point is this that the use or registration of THRIFTY mark by the First Respondent for its business or services would constitute passing-off and contravene the provisions of s 82(2) of the Trade Marks Act 1976 which stipulates that: 'Notwithstanding subsection (1), nothing in this Act shall be deemed to affect the right of action against any person for passing-off goods or services as those of another person or the remedies in respect thereof.' In order to establish a valid cause of action for passing-off, the plaintiff has to prove five requirements, namely, (1) a misrepresentation; (2) made by a trader, ie the defendant, in the course of trade; (3) to prospective customers of his or ultimate consumers of goods or services supplied by him; (4) which is calculated to injure the business or goodwill of another trade, ie the plaintiff (in the sense that this is a reasonably foreseeable consequence); and (5) which causes actual damage to a business or goodwill of a trader by whom the action is brought or (in a quia timet action) will probably do so: per Lord Diplock in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1979] AC 731, cited with approval by the Full Federal Court of Australia in *ConAgra Inc v McCann Foods (Aust) Pty Ltd* 23 IPR 193. The principles laid down in *Erven Warnink BV* (supra) have been followed by the courts in Malaysia in a number of cases, notably by the Supreme Court in *Seet Chuan Seng & Anor v Tee Yih Jia Manufacturing Pte Ltd* [1994] 2 SCR 191. In the instant case, the Appellant has acquired substantial goodwill and reputation in the THRIFTY mark by virtue of extensive use and promotion of its business and services before the filing date of the application under opposition. The Appellant is therefore entitled to rely on the reputation and goodwill acquired by the THRIFTY mark in the United States and countries in this region. In *C & A Modes and Anor v C & A (Waterford) Ltd and Ors* (1978) FSR 126, the plaintiff owned and operated a large number of retail drapery shops under the 'C & A' name in the United Kingdom, and operated a large branch shop dealing in the same business in Belfast, where a large number of citizens of the Irish Republic travelled to purchase the plaintiffs' goods. The plaintiffs had advertised their C&A shops extensively in magazines and newspapers with circulation in and on television channels which were available to viewers in the Republic of Ireland, The first defendant carried on a drapery retail business under the name C & A in the Republic of Ireland and did not offer any explanation for the choice of its name. The Supreme Court of Ireland granted an injunction restraining the first defendant from carrying on

business under the name C & A or any other name so closely resembling the name of the plaintiffs as to be calculated to lead to the first defendant's business being confused with that of the plaintiffs. It is apposite to refer to a passage in the judgment of Henchy J at pp 138-139 as follows:

> Goodwill does not necessarily stop at a frontier. Whether in a particular area a plaintiff has a goodwill which is liable to be damaged by the unlawful competition resulting from passing-off is a question of fact and of degree. What has to be established for the success of a plaintiffs claim in an action such as this is that by his business activities – be they by direct selling within the State or otherwise – he has generated within the State a property right in a goodwill which will be violated by the passing-off. It is true that there is authority for the proposition that a plaintiffs reputation which owes nothing to user in this State is not sufficient to support a passing-off action (*Alain Bernardin et Cie v Pavilion Properties Ltd* (1976) RPC 581) but, as is stated in *Kerly's Law of Trade Marks and Trade Names* (10th ed p 386), it is difficult to see any rational basis for this distinction. If there are in this State sufficient customers of a plaintiffs business to justify his claim to have a vested right to retain and expand that custom, then there is ample authority in principle and in the decided cases for the conclusion that, no matter where the plaintiffs business is based, he is entitled to be protected against its being taken away or dissipated by someone whose deceptive conduct is calculated to create a confusion of identity in the minds of existing or potential customers.

**[22]** I think the Courts in Malaysia should adopt a more liberal and flexible approach in evaluating whether a foreign plaintiff has acquired goodwill or reputation, as is the trend in other Commonwealth jurisdictions in recent years. In *ConAgra Inc v McCann Foods (Aust) Pty Ltd* 23 IPR 193, the Full Federal Court of Australia held that it is not necessary that a plaintiff, to maintain a passing-off action, have a place of business in Australia nor for his goods to be sold in that country. It is sufficient if his goods have a reputation (as opposed to goodwill) in Australia among persons of a sufficient degree to establish there is likelihood of deception among consumers and damage to his reputation. Reputation may be proved by a variety of means including advertisements on various forms of media and exposure of people within the forum to the goods of the overseas owner. The Court also held that it is necessary for the plaintiff to establish that within the jurisdiction there are a substantial number of persons who are aware of the plaintiffs product and these persons may be residents or visitors from outside the jurisdiction. On the facts of that case, the Court was not satisfied that the plaintiff has established reputation in Australia as its products had not been sold in Australia at the relevant date, and therefore its action for passing-off failed.

**[23]** The High Court of Singapore in *Pontiac Marina Pte Ltd v CDL Hotels International Limited* (1997) FSR 725 held that there were no restrictions as to how goodwill could be acquired, and it did not follow that goodwill could be acquired if trading had not yet commenced. The Court also held that goodwill could be acquired in a short period of time in this modern age of mass communications. In *Alfred Dunhill Limited and Anor v Sunoptic SA* (1979) FSR 337, the plaintiffs, had for many years carried on business in

the UK and worldwide in relation to a range of tobacco products, smokers' requisites and luxury goods under the name 'Dunhill'. The plaintiffs had not sold sunglasses or spectacle frames in the UK, though their American subsidiary had made sale of sunglasses under a different brand name in the USA. The defendant advertised and sold sunglasses and spectacle frames under the trade mark 'CD Christopher Dunhill – London'. In granting an interlocutory injunction, Roskill LJ (as he then was) said at p 356:

> As Mr Dillon, in, if I may say so, a most able argument, stressed, the plaintiffs, Dunhill's, have no monopoly in the name 'Dunhill'. Dunhill's say that these activities of Mr Christopher Dunhill are nothing less than a deliberate attempt to 'cash in', to use Mr Alexander's phrase, on the Dunhill reputation, and that if this is allowed to continued unrestrained by injunction, confusion, and worse than confusion – confusion causing serious injury in the shape of financial loss and damage will follow, adversely affecting he Dunhill name and reputation, so that these sunglasses and spectacle frames sought to be marketed under the name 'Christopher Dunhill' or 'Christopher Dunhill-London', if allowed to be sold anywhere in the world, will be thought to be made by or marketed by or in some way associated with Dunhill's.

**[24]** At p 362 Roskill LJ (as he then was) said:

> When one reads his judgment as a whole, it is clear that the learned judge laid great emphasis on the fact that Dunhill's were not in the spectacle frames and sunglasses market save for a comparatively few sunglasses and spectacle frames which it would seem were sold in one of their New York shops by their United States subsidiary or associated company - and, be it noted those spectacle frames and sunglasses were not there sold under the 'Dunhill' mark ... With very great respect to the learned judge, the judgment does not seem to deal with the point that it was alleged damage to the overall Dunhill reputation which was in issue and not damage to particular classes of goods which Dunhill's were presently involved in selling.

**[25]** In the instant case the First Respondent should not be allowed to register the THRIFTY mark since the Appellant has acquired a worldwide reputation and goodwill in this mark and it would be able to prevent the First Respondent from using this mark in an action for passing-off. It is pertinent to note that the House of Lords held in *'BALI' Trade Mark* (supra), that in order to succeed in an opposition, it is only necessary to show likelihood of deception or confusion, and it is not necessary for the opponent to show something further, such as some possible, probable or certain success in a passing-off action.

**[26]** Again, the learned Assistant Registrar should have refused registration of the application under opposition as registration or use of the THRIFTY mark by the First Respondent would contravene art 6 of the Paris Convention, by virtue of Malaysia being a signatory to this Convention with effect from 1 January 1989, albeit the application under opposition was filed prior to 1 January 1989. Article 6 of the Paris Convention stipulates, inter alia, that member countries undertake ex officio, if their legislation permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration (ie Malaysia in our

case) or used to be well known in that country as being already the mark of a person entitled to the benefits of the Convention.

**[27]** The grounds of the Appellant's opposition to registration of the First Respondent's trade mark application No 85/04405 dated 9 October 1985 for THRIFTY RENT-A-CAR' ('the mark') in Class 16 ('the Application') can be broadly summarised as follows:

(a) the First Respondent is not entitled to claim it is the proprietor of the mark within s 25(1) of the Trade Marks Act 1976 ('the Act') as the Appellant is the originator, first user and true proprietor of the mark; and

(b) registration of the mark would be contrary to s 14(a) of the Act as its use is likely to cause deception and/or confusion to the public; and (c) registration of the mark would be contrary to s 14(a) (read together with s 82(2) of the Act) as its use would be contrary to law.

**[28]** At the outset, I must point out that it is settled law that in opposition proceedings, an applicant for registration bears the onus of proof to satisfy the tribunal that his/its trade mark is registrable and should be registered under the Act. In *In the Matter of Dunn's Trade Mark* (1980) 7 RFC 311, an application to register a label containing the words 'Fruit-Salt Baking Powder' was opposed by the registered proprietor of a label containing the words 'Fruit-Salt' on the ground that use and registration of the former would be calculated to cause deception within s 72(2) and s 73 of the UK Patents, Designs, and Trade Marks Act 1883 (which are in pari materia with s 19(l) and s 14(a) of the Act respectively). With regards to the onus of proof, Lord Watson said the following at p 315, lines 43–59:

> Section 72(2) prohibits the registration, with respect to the same goods or description of goods, of a trade mark so nearly resembling a trade mark already on the register with respect to such goods, or description of goods, as to be calculated to deceive. That provision is supplemented by the broader enactments of Section 73, to the effect that – 'It shall not be lawful to register, as part of or in combination with a trade mark, any words the exclusive use of which would, by reason of their being calculated to deceive or otherwise, be deemed disentitled to protection in a Court of Justice, or any scandalous design.
>
> These prohibitory clauses cast upon the Applicant the duty of satisfying the Comptroller, or the Court, that the trade mark which he proposes to register does not come within their scope. ... here, he is in petitorio, and must justify the registration of his trade mark by showing affirmatively that it is not calculated to deceive.

**[29]** In a book entitled *World Intellectual Property Organization Manual of Trade Mark Law & Practice in Malaysia* (1989 Edition) (Tab A), at paragraph 24.46 under the heading 'Burden of Proof' it is stated that:

> Where an opponent alleges that the applicant's mark bears a deceptive resemblance to his own, he does not have to prove that the public would be confused or deceived thereby. The applicant has to show that no such confusion or deception is likely; an onerous task and one that is hardly susceptible to evidence.

**[30]** I am of the opinion that the First Respondent must satisfy this Court affirmatively that its proposed registration of the mark does not come within any of the prohibitions raised by the Appellant as summarised in paragraph 8(a), (b) and (c) above. I therefore come to the conclusion that the First Respondent's contention that the onus of proof is on the Appellant is misconceived and erroneous in law.

**[31]** The concept of franchise was a relatively new concept in the business fraternity in 1980s, let alone in this part of the region. Thus, there is nothing unusual for the Appellant to expand its business to this region by adopting the franchise system although it had previously promoted and expanded its business by other forms, and it is very common for a franchisor to have used its trade marks in a particular country or region before deciding to expand its business using the franchise system. The fact that Dynadrive Rent-A-Car Sdn Bhd is the current franchisee of the Appellant in Malaysia shows that there was indeed a breakdown in the relationship between the Appellant and Sintat Rent-A-Car Sdn Bhd ('Sintat'). Further, I think it is a very common business practice that business documents such as invoices and promotional materials used by a local franchisee are in their possession rather that the foreign franchisor.

**[32]** It is not a pre-requisite under s 14(a) of the Act that the Appellant must have acquired goodwill and reputation in the mark in Malaysia (less so 'substantial reputation') prior to the application. It is sufficient so long as the mark has been in use in Malaysia by the Appellant prior to the application. This proposition of law is clear from the following passages in the judgment of Abdul Aziz J (as he then was) in *Luk Lamellen Und Kupplungsbaau GmbH v South East Asia Clutch Industries Sdn Bhd* [1997] 2 MLJ 724 where, at p 739 lines B-E, the Court said the following:

> Learned counsel for the respondents argued that to establish the likelihood of deception or confusion, it was requisite that the applicants establish that they had acquired a reputation in Malaysia in respect of the LUK trade mark and he cited *Gaines Animal Foods Ltd's application for Trade Mark* (1958) RFC 312, *Vitamin Ltd's Application for a Trade Mark* (1956) RFC 1 and *Davidoff Extension SA v Davidoff Gommercio E Industria LTDA* [1988] 1 MLJ 234.
>
> Going by the words of s 14(a), what I had to find in this case was whether the use of the LUK trade mark by the respondents 'is likely to deceive or cause confusion to the public'. If there are people who are likely to be deceived or confused by the use by the respondents of the trade mark, then I think it can be said that such use 'is likely to deceive or cause confusion to the public' ... I am, therefore quite unable to comprehend in what way it is relevant or necessary in answering that question to find whether the applicants had acquired a reputation in respect of their use of the trade mark on their products.

**[33]** The passage from *Smith Hayden & Co Ltd's Application* (1945) 65 RFC 97 at 101 has been subsequently modified by the House of Lords in *'BALI' Trade Mark* (1969) RPC 472, where Lord Upjohn at p 496, lines 20–30 said the following:

> Thus it came about that Evershed J in *Smith Hayden & Co's Application* (1945) 65 RPC 97 formulated the test under section 11 in these terms (at page 101 line 40):

> '(a) (Under section 11) 'Having regard to the reputation acquired by the name HOVIS, is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?''

> My Lords, I think the learned judge was wrong to use the words 'reputation acquired by'; it should have been 'the user of'.

**[34]** The above passages were cited with approval in *Luk Lamellen* (supra) at p 739. I think that there is nothing illogical about a substantial number of members of the public and trade being deceived and/or confused by the use of the mark by the First Respondent after the Appellant has started using it in Malaysia (even if the use is only minimal). The First Respondent has failed to distinguish between reputation among a substantial number of persons, and deception and/or confusion among a substantial number of persons. If trader A has used a particular trade mark in Malaysia (although trader A has not established a substantial reputation in Malaysia) and subsequently trader B uses an identical or substantially similar mark in Malaysia, a substantial number of members of the trade and public on seeing the products/services of trader A and trader B would still be deceived and/or confused in that they are likely to erroneously assume that the products/services are from the same source or that trader A and trader B are associated. Thus, even if it is said that the Appellant has not established a substantial goodwill and reputation in Malaysia at the time of the Application, it does not detract from the fact that there would still be a tangible danger of deception and/or confusion at the date of the Application as the Appellant has been using the mark prior to the Application.

**[35]** I am of the view that the goodwill and reputation of the Appellant in other countries since 1960s is sufficient to invoke the application of s 14(a) of the Act. In *The Seven-up Co v OT Ltd* (1947) 75 CLR 203 at 211 Williams J said the following:

> Further, if at the date of the application for registration, the mark of the foreign trader, although it has not been used in Australia, has nevertheless become associated in the minds of the Australian public with his goods because it has been advertised in publications which have circulated extensively in Australia or in some other manner, the registrar is entitled to refuse to register the mark for such goods because it is likely to deceive.

**[36]** The above passage was quoted with approval by the Court of Appeal in *LimYew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7 at 22. More recently the Singapore Court of Appeal held in *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 147 that:

> Section 15 of the Act (in pari materia with s 14(a) of the Act) was intended to protect the public and would be operative if the use of the mark would be likely to deceive or confuse the public such that it would be disentitled to protection in a court of justice. There was no need for the appellant to show that they, or some other person, had used the Tiffany' mark in Singapore prior to the respondents' application to register their mark before the appellants could invoke s 15 as a ground in opposition proceedings. Lord Upjohn's dictum in *Bali Tm* (1969) RFC 472 was

no longer applicable in this day and age. Modern technology and communication had improved to such an extent that the public in Singapore would be aware of foreign marks even though such marks had not been used previously here. Confusion and deception have no borders and these days can be sufficiently shown to arise through knowledge cognisance or awareness of an international reputation.

**[37]** Further at p 158 lines B-F, Yong Pung How, CJ who delivered the judgment of the court said the following:

As Lord Upjohn himself commented in *Bali,* s 15 of the Act was designed not so much for the protection of other traders in the use of their marks or their reputation, but for the protection of the public ... Even without the appellants' use of the mark 'Tiffany' in Singapore at the time of the respondents' application, there could be a real chance that a substantial number of members of the public would be confused into thinking that the respondents' goods were somehow connected to or originated from the appellants. Furthermore, the *Bali* case was decided in 1969, during a time when tourism and the dissemination of information was not quite as widespread. Since then, modern technology and communication have improved at such a rapid rate that we in Singapore may be familiar with famous international marks as someone in the country where the mark is actually in use. In this day and age, Lord Upjohn's assertion that the practical likelihood of confusion or deception can only be shown by proving the existing user of the mark by someone else in the same jurisdiction can no longer hold true. In this respect, the learned judge's example of the local public's knowledge of the name Viagra before it was launched here is especially apt in showing reputation in Singapore is sufficient for confusion and deception to arise amongst members of the Singaporean public that would otherwise lead the mark applied for to be disentitled to protection in a court of justice.

**[38]** Thus, evidence and promotional materials of the mark by the Appellant outside Malaysia are relevant to this proceeding. I would move forward and advance with the changing times and technology rather than be shackled by the ghosts of the past.

**[39]** I would adopt the observations made in *Tiffany & Co* (supra) where at pp 162–164, Yong Pung How CJ said the following (where relevant):

We were asked by the appellants (the Opponents of the trade mark application) to consider the situation in November 1977 which was when the opposition proceedings took place and to take into account the likelihood of deception and confusion then. The appellants contended that this must be the case as the whole purpose of s 15 is to protect the public from confusing or deceptive marks. In supporting of this contention, the appellants cited a passage from Kerly's which reads:

> 'In relation to an application for registration, the primary question to be decided is whether the mark was deceptive (or otherwise 'disentitled to protection') at the date of the application to register ... Even, however, if the mark has become deceptive through no fault of the proprietor, it is submitted that registration of a deceptive mark should be refused as a matter of discretion.'

Although nothing turns on the choice between November 1989 (the application date) and November 1997 (the opposition date) as the relevant date, given that, on the facts of this case, we decided that there was a likelihood of deception or confusion between the marks in November 1989, we are of the view that there is much weight in the comments by the editors of Kerly's. Kerly's submits that, if the mark is confusing at the date of the decision to register, registration should be

refused. This seems to gel with the purpose of s l5. As agreed by both parties here, it is for the protection of the public from deceptive or confusing marks.

**[40]** Based on the above, I am of the view that the fact that the Appellant has continuously used and promoted the mark in Malaysia extensively between the date of the Application and the date the Notice of Opposition was lodged (ie 26 December 1990) should be taken into account. I think the cases of *The Titan Manufacturing Co Pty Ltd v Covne* (1991) AIPC 90-808, *'Welsh Lady' Trade Mark* (1964) RFC 459 and *NOVA Trade Mark* (1968) RPC 357 relied on by the First Respondent can be distinguished on the facts as the likelihood of deception and/or confusion in our case is due to the blameworthy conduct of the First Respondent. The First Respondent's blameworthy conduct in our case is as follows:

(a) the First Respondent 'hijacked' the Appellant's well- known mark for the sole purpose of riding on the goodwill and reputation of the mark so as to deceive and/or confuse members of the trade and public in Malaysia; and

(b) the Appellant has already commenced use of the mark in Malaysia prior to the Application by the First Respondent.

**[41]** I think Section H, as stated in paragraph 6 above, the use or registration of the mark by the Appellant would constitute passing-off and thus its registration is prohibited by s 14(a) read together with s 82(2) of the Act. The First Respondent has failed to convince otherwise. In summary, this is a clear and simple case of an unscrupulous local trader riding unfairly on the goodwill and reputation of a well-known foreign mark for the sole purpose of benefiting itself at the expense of the Malaysian public and trade by deceiving and/or confusing them. The Court would and could not allow the First Respondent to persist with such irresponsible and unconscionable conduct and in the process ensuring Malaysia does not become a haven for 'pirates' of well-known marks which would clearly hurt our economy and international reputation in the eyes of the world. It would be unjust to allow registration of the application under opposition as it has been clearly shown that the Appellant is the originator, first user and proprietor of the THRIFTY mark; and the First Respondent has copied the mark from the Appellant with an intention to 'cash-in' or ride on the worldwide reputation of the Appellant. The First Respondent should not be allowed to gain any benefit from its dishonest and non-bona fide acts.

**[42]** The appeal is hereby allowed with costs. The decision of the Registrar of Trade Marks dated 16 May 1998 is hereby set aside.

*Appeal allowed with costs*

Reported by Lim Lee Na